Government of Saskatchewan

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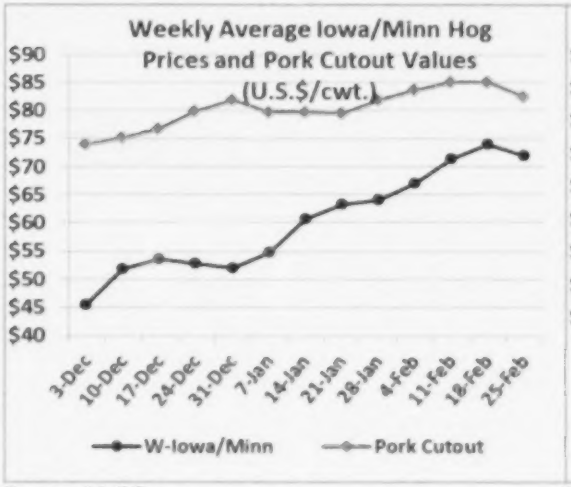
Weekly Hog Report

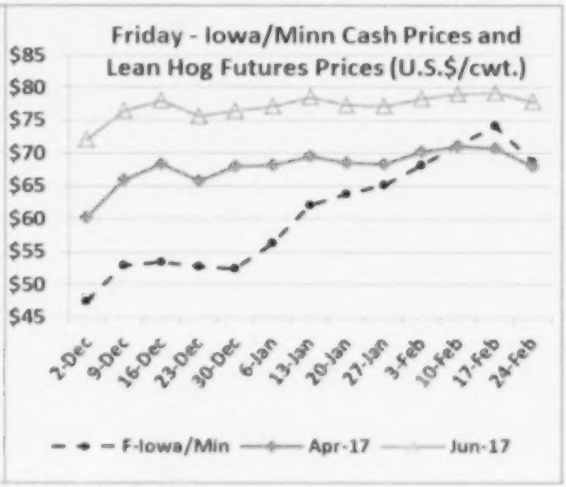
February 27, 2017

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged lower last week declining the most Thursday and Friday. Hog prices on Friday February 24 averaged US$68.75 per cwt, down US$5.36 per cwt or 7.2 per cent from US$74.11 per cwt the previous Friday. The negotiated weekly base price last week averaged US$72.05 per cwt, down US$1.85 per cwt or 2.5 per cent from US$73.90 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

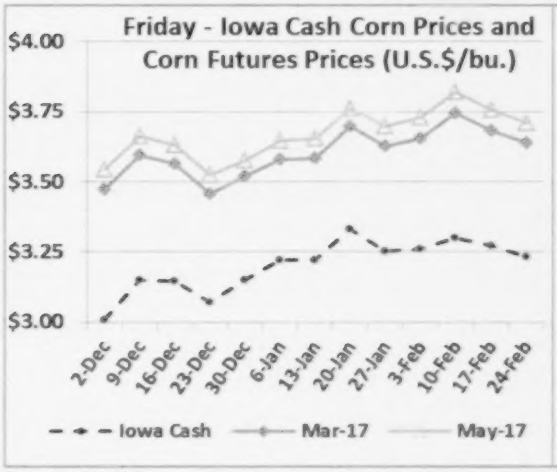
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday February 24, 2017 was $175.10 per ckg, down $2.04 per ckg or 1.2 per cent from $177.14 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $178.06 per ckg, up $3.27 per ckg or 1.9 per cent from the previous weeks' average price of $174.79 per ckg. The Canadian dollar edged slightly lower to settle Friday at 76.28 cents, down 0.06 cents from 76.34 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mostly lower last week to move lower, week-over-week. The nearby April 2017 lean hog futures contract declined US$2.750 per cwt last week to settle Friday at US$68.025 per cwt; while the June 2017 lean hog futures contract declined US$1.450 per cwt to settle last Friday at US$77.825 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$52.38 per head, down US$1.02 per cwt from US$53.40 per head the previous week. Feeders (40lb) averaged US$74.78 per head, up US$2.67 per head from US$72.11 per head, the previous week.



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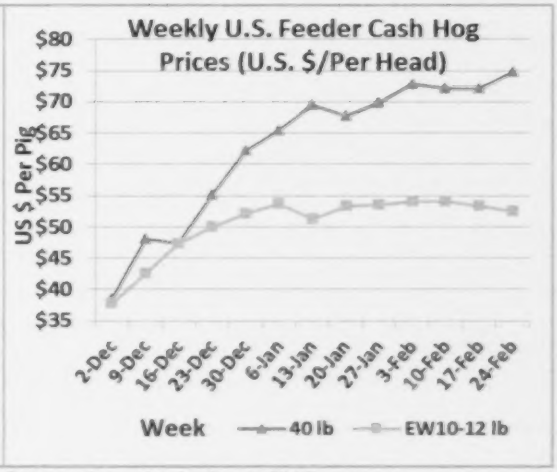


Source: Iowa Agriculture, CME

Iowa cash corn prices settled last Friday at US$3.23 per bushel, down four cents from US$3.27 per bushel the previous Friday. Daily corn futures were mixed last week, higher early in the week but lower later in the week to push prices lower, week-over-week. The March corn futures contract declined 4.3 cents to settle Friday at US$3.64 per bushel, while the May 2017 corn contract declined 4.7 cents per bushel to settle Friday at US$3.70 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending February 25 were estimated at 2.280 million head, down 3.5 per cent from 2.363 million head the previous week, but up 3.2 per cent from 2.209 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.333 million head, up 4.2 per cent from 2.239 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending Feb. 18, 2017 were estimated at 427,593 head, down 3.7 per cent from 444,247 head the previous week, but up 7.3 per cent from 398,358 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 437,899 head, up 4.8 per cent from 418,022 head over the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending February 25, 2017 was estimated at 484.5 million lb., down 3.6 per cent from 502.6 million lb. the previous week, but up 3.3 per cent from 469.2 million lb. the same week a year ago. Pork production over the last four week's ending February 25 was estimated to average 495.5 million lb., up 4.2 per cent from 475.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending February 25 was estimated at 470.7 million lb., up 0.4 per cent from 468.7 million lb. the previous week, and up 5.5 per cent from 446.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending February 18, 2017, was estimated to average 2.100 billion lb., up 2.5 per cent from 2.048 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 1.0 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Feb. 18) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	481.9	500.4	3.8%	0.9%
Beef	450.1	476.4	5.8%	3.6%
Chicken	986.9	990.3	0.3%	0.2%
Turkey	129.3	132.7	2.6%	-1.5%
Total	**2,048.2**	**2,099.8**	**2.52%**	**1.02%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending February 25, 2017 averaged US$82.48 per cwt, down US$2.53 per cwt or 3.0 per cent from US$85.01 per cwt the previous week, but up 10.1 per cent from US$74.93 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending February 25, 2017 averaged US$194.48 per cwt over the week, up US$5.55 per cwt or 2.9 per cent from US$188.93 per cwt the previous week, but down 10.2 per cent from US$216.51 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending February 25, 2017 averaged US$115.38 per cwt, up US$8.52 per cwt or 8.0 per cent from US$106.86 per cwt the previous week, and up 9.9 per cent from US$104.96 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on February 23, 2017. The United States' pork stocks in cold storage totaled 526.7 million lb. on January 31, 2017, down 15.8 per cent from 625.2 million lb. on January 31, 2016, but up 10.8 per cent from 475.4 million lb. on December 31, 2016. U.S. pork stocks in cold storage for January 2017 were below the 12-year average for January.

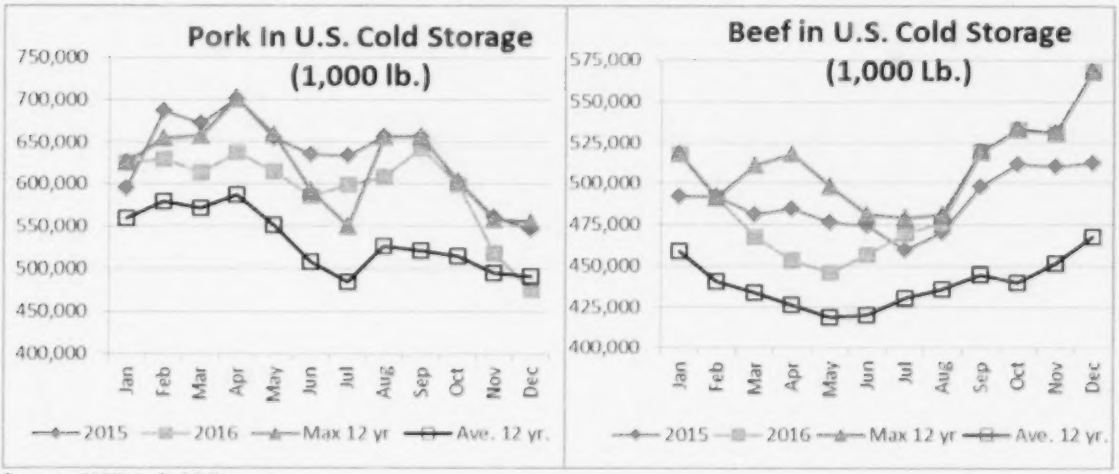
United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**31-Jan-2016**	**31-Dec-2016**	**31-Jan-2017**
Pork	625,246	475,387	526,669
Beef	534,110	567,888	537,542
Chicken	821,426	804,066	774,921
Turkey	289,746	278,741	339,340
Total Combined	**2,270,528**	**2,126,082**	**2,178,472**

Source: NASS

The U.S. beef stocks in cold storage totaled 537.5 million lb. on January 31, 2017, down 5.3 per cent from 567.9 million lb. on December 31, 2016, but up 0.6 per cent from 534.1 million lb. on Jan. 31, 2016. U.S. beef stocks in cold storage at the end of January were down from the all-time 10-year record highs from a month ago, but still at 10-year record highs for January.

Total pork, beef, chicken and turkey in cold storage on January 31, 2017 were at 2.178 billion lb., down 4.0 per cent from January 2016, but up 2.5 per cent from the December 2016 numbers. U.S. meat in cold storage was above the 12-year average but below previous record high numbers established in September 2016.



Source: USDA Cold Storage

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